

# Situation and Outlook for Orange Juice

**World orange juice production in selected major producing countries in 2004/05 is estimated at 2.1 million metric tons (65 degrees brix), down an estimated 18 percent from the 2003/04 level. Brazil and the United States account for most of the decrease from the previous year.**

## GLOBAL PRODUCTION

World orange juice production during 2004/05 is forecast at 2.1 million tons (65 degrees brix), down an estimated 18 percent from the previous year. Brazil's production in 2004/05 [Marketing year (MY) July 2005-June 2006] is forecast at 1.14 million tons, down about 15 percent from the 2003/04 level. U.S. production is set to decrease to approximately 711,000 tons based on the substantial decrease in Florida's orange crop as a result of the hurricanes. Together, Brazil and the United States comprise about 88 percent of world output for the selected major producers.

### Brazil

Brazil's production of orange juice during 2004/05 (MY July 2005-July 2006) is estimated at 1.14 million tons (65 degrees brix), down about 15 percent from the 2003/04 level, mainly the result of the lower orange crop. Since Brazil's fresh-crop orange exports are limited because of disease, any increase or decrease in orange supplies results in a fluctuation of orange juice production.

### United States

U.S. production of orange juice during 2004/05 is estimated at approximately 711,000 tons, down substantially—32 percent—from the previous year. This directly corresponds to the drop in Florida's orange crop. In a normal year, more than 95 percent of the orange crop in Florida is processed for orange juice. With the reduction in the orange crop in Florida due to the devastation of the hurricanes, orange juice production will decline as well.

## GLOBAL TRADE

Exports of orange juice during 2004/05 from the major producing countries are forecast at 1.5 million tons (65 degrees brix), up about 2 percent from last year. Exports from Brazil, which account for 81 percent of the total, are estimated at 1.23 million tons, unchanged from a year ago.

### Brazil

Brazil's exports of orange juice in 2004/05 (MY July 2005-June 2006) are forecast at 1.23 million tons, unchanged from a year ago, despite the reduction in the orange crop. Brazil is coming into the 2004/05 year with relatively large orange juice stocks, which will keep exports of orange juice at a

relatively normal level. Beginning stocks for 2004/05 are estimated at 159,000 tons, more than double the previous year's level.

## **United States**

U.S. exports of orange juice during 2004/05 are estimated at approximately 74,000 tons, down from 87,478 tons in 2003/04. Exports are relatively small in comparison to the supply of orange juice, as the United States is a major consumer of orange juice. With the decreased supplies as the result of the lower orange crop in Florida, it is expected that U.S. imports of orange juice in 2004/05 will rise to about 192,000 tons, up 21 percent from last year. The United States is also coming into this short crop year with a record level of orange juice stocks. Beginning stocks for 2004/05 are estimated at nearly 600,000 tons, up almost 100,000 tons from the 2003/04 level.

## **CONSUMPTION AND MARKETING**

### **United States**

U.S. consumption of orange juice in 2004/05 is estimated at 1.0 million tons, down about 4 percent from the 2003/04 level. The decline in consumption can be partially attributed to repeated negative media stories that indicate orange juice should be avoided by people on a low carbohydrate diet.

### **Brazil**

Brazil's consumption of processed orange juice is estimated at only 18,000 tons during 2004/05 (MY July 2005-June 2006), representing less than 2 percent of production. Brazilian consumers are more likely to squeeze fresh oranges for their juice needs, rather than purchase orange juice.

### **China**

China's consumption of orange juice continues to grow. In 2004/05, it is forecast that consumption will grow about 12 percent from the previous year. According to reports, demand for orange juice will continue increasing dramatically. Juicing companies increasingly advertise the nutritional benefits of orange juice through all media. Young consumers are driving consumption at a fantastic speed with demands for drinks with different juice contents. The Ministry of Agriculture (MOA) reports per capita consumption of orange juice in China was 0.1 liter in 2001 and it is expected to reach 0.5 liter in 2005 and 2 liters in 2010. This translates into 650,000 tons in 2005 and 2.6 million tons of orange juice consumption in 2010. Forecasts may be overly optimistic, but the growth rate remains amazing. The local juicing industry will not be able to produce such quantities of orange juice in the absence of sufficient raw materials. A few companies have invested in juicing facilities and commercial groves, but it will take years before a sizable orange juice volume is produced. Imports, mostly from Brazil, will satisfy the thirst for orange juice in the short to medium term.

*The Attaché Report search engine contains reports for orange juice for Egypt, Israel, Japan, Korea, Morocco, Spain, Turkey, Greece, Italy, Mexico, China, Germany, Australia, Brazil, Argentina, and South Africa. For more information on production and trade, contact Debra A. Pumphrey at 202-720-8899. Also, please visit the citrus commodity page: <http://www.fas.usda.gov/http/horticulture/citrus.html> for the latest information. For more information on marketing issues, contact Sonia Jimenez at 202-720-0898. Data for these countries on orange juice can be extracted from the USDA production, supply, and distribution database located at [www.fas.usda.gov/psd](http://www.fas.usda.gov/psd)*